

Remuneration of the Company's executive bodies

The Company's remuneration policy for members of the Board of Directors, executive bodies, and other key employees is set out in the following by-laws:

Role	Regulations
Board of Directors	<ul style="list-style-type: none"> Regulations on Remuneration and Compensation for Members of FESCO's Board of Directors¹
Executive bodies (President, CEO, and Executive Board)	<ul style="list-style-type: none"> Regulations on Bonus Payment to FESCO's Top Management² Short-Term Employee Incentive Programme (covering all employees of FESCO Group)

When building the remuneration framework, the Company seeks to establish the level of remuneration of its governing bodies and the relevant payment procedure in line with the principles and recommendations of the Corporate Governance Code.

The current level of remuneration of members of the Board of Directors and executive bodies provides sufficient motivation, supports their performance, and helps retain employees with required skills and qualifications.

In 2023, the Company revised by-laws establishing the level of remuneration of members of the Board of Directors and executive bodies.

Remuneration of the Board members

The procedure for calculating remuneration is determined by the Regulations on Remuneration and Compensation for Members of FESCO's Board of Directors, as amended and approved by the Extraordinary General Shareholders Meeting on 18 January 2023.

The new version of the document takes into account best practices and provides for a clear remuneration structure (base and additional remuneration).

Base remuneration is paid for performing the duties of a member of the Board of Directors.

Additional remuneration is paid for performing additional duties related to the exercise of functions of the Chairman of the Board of Directors, Chairmen and members of Committees of the Board of Directors.

The level of annual remuneration of members of the Board of Directors is established in accordance with the Regulations on Remuneration and Compensation for Members of FESCO's Board of Directors.

¹ Approved by the Extraordinary General Shareholders Meeting on 18 January 2023, Minutes No. 58 dated 19 January 2023.

² Approved by resolution of the Board of Directors on 22 August 2023, Minutes No. 16 dated 23 August 2023.

Types of remuneration for the corporate year¹

Indicator	Remuneration
Base remuneration, RUB	15,000,000
Additional remuneration ² , %	
Chairman of the Board of Directors	50
Committee Chairman	50
Committee member	25

Base remuneration is paid quarterly in equal instalments within 30 calendar days of the end of the respective reporting quarter based on actual attendance of meetings of the Company's Board of Directors and meetings of the Company's committees on which the director sits in the reporting period.

These are the only form of monetary remuneration for the members of the Board of Directors. The Company has no other forms of motivation or financial incentives. There are no additional payments or compensation in case of early termination of powers of the members of the Board of Directors.

The Company compensates members of the Board of Directors for expenses related to their work on the Company's Board of Directors. Compensation is payable only for actually incurred, documented, and reasonable expenses.

Total remuneration paid to the members of the Board of Directors in 2023 was RUB 196.74 million. Total compensation paid amounted to RUB 406,000.

No loans were granted by the Company to the members of the Board of Directors in the reporting year.

Remuneration of members of the executive bodies

The remuneration of the sole executive bodies and the Executive Board members as the Company's top executives consists of an official salary paid on a monthly basis and a bonus paid after summing up the results of achieving the KPIs for six months.

The Company's remuneration policy for members of executive bodies is established by the Board of Directors based on recommendations of the Human Resources and Remuneration Committee.

The Human Resources and Remuneration Committee assesses the effectiveness of the remuneration policy twice a year and provides recommendations on how to improve it and draws final conclusions on whether the Company's management has achieved the KPIs.

The KPIs are set individually for each top executive, include operational, financial, and strategic criteria, and are approved by a meeting of the Board of Directors for each six-month period.

The Board of Directors may resolve to pay an additional remuneration to the top management for their special contribution to the achievement of the Company's financial results and implementation of particularly important projects.

The remuneration paid to the members of the Executive Board and the sole executive bodies in 2023 totalled RUB 3,062.32 million. Neither reimbursement for expenses was paid, nor loans were granted to the members of the Executive Board in the reporting period.

¹ The calculation period for payment of remuneration and compensation is established from the election date of the Company's Board of Directors at an annual General Shareholders Meeting of the Company to the date of the next annual General Shareholders Meeting of the Company at which new members of the Company's Board of Directors will be elected.

² Additional remuneration is calculated as a percentage of the base remuneration for the corporate year.